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**AAA**

## An American Income For Corn

*Adapted from an address by Henry A. Wallace, Secretary of Agriculture, at a meeting of farmers, farm leaders, and A. A. A. committeemen at Springfield, Ill., October 14, 1938*

**Highlights.**—The Ever-Normal Granary program is based upon the recommendations of farmers and farm leaders. It reflects the judgment of leading men in Congress. It uses the lessons which we have learned about how to prevent scarcity—scarcity due to drought, or scarcity due to low farm prices and millions of city people being out of work. The plan has grown out of our common need for larger reserves of feed and food. It recognizes that the farmers are entitled to equality, and that to insure national prosperity, agriculture must have its fair share of the Nation's income. That principle of farm equality is one that farmers will never surrender.

With the help of the farmers' program, farm cash income this year will be only about 12 percent below the peak of last year, and farm buying power will be only 9 percent under that of last year. In the face of a business situation in which factory employment and pay rolls have been down over 30 percent, to hold farm income so nearly steady is a real achievement. The new Farm Act, which in structure is not complex but simple, has helped all agriculture and the whole Nation this year.

The goal of the corn program last spring was a national corn acreage of from 94 to 97 million acres, compared to the 10-year average planted acreage of 102 million acres. Actually, the corn acreage turned out to be a little less than 93 million. That is coming pretty close to the mark. Achievement of such results is a tribute to the intelligence and the loyalty of the corn growers.

Unlike the cotton and wheat loans, the corn loan is definitely intended to impound surplus corn. It is intended to keep the surplus from being marketed or fed to livestock as rapidly as would otherwise be the case. That is why the loan at times can and should be made above the market price. The Agricultural Adjustment Act of 1938 gears the loan mechanism more closely into the corn plan.

If growers cooperate in the 1939 acreage program, and if corn yields are no better than average, quotas will not be needed next year. But some year, perhaps, in spite of growers' cooperative efforts, nature may give them a crop that threatens to swamp their markets and themselves. The time may come when the Corn Belt will thank goodness that it has the corn quotas to fall back upon.

Farmers can avoid the \$13 hogs which arouse consumer resentment against meat and which hurt the farmers in the long run. And farmers can avoid the \$3 hogs which don't help the city people but do spell tragedy for farmers and

their families. With the corn plan in effect, the man who is in livestock can face the future with confidence.

Conservation of the soil is a natural counterpart of the Ever-Normal Granary. Both are measures to assure greater long-time abundance. Both are invaluable to the Nation.

Of course, the farm program is under fire. It will be under fire until the day that its opponents finally learn that farmers will never want to be without a national program again. Good metal comes through the fire stronger and better than before. The farm program will come through stronger and better than before.

If the automobile industry, with management centralized in a few hands, finds that it must control production in order to fix prices, how could 6 million farmers expect to get a fixed price on everything that they produce? Look out for price-fixing combined with unlimited production unless you want to get hurt.

The Smoot-Hawley Tariff Act was a crime against the American farmer. It was accompanied by a barrage about farm imports. Judging by the new barrage, another crime like the last is soon to be attempted. I think the farmers ought to be on guard to stop it this time.

My appeal is to the rank and file of farmers throughout the Corn Belt, that they join with the wheat producers of the West, the cotton growers and tobacco farmers of the South, and the other farm groups to fight for the best farm program that agriculture has ever had.

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## FARMERS AND THE NATION ARE MOVING AHEAD TOWARD RECOVERY

I have visited first the Wheat Belt and then the Cotton Belt to talk about the problems of those two great agricultural regions. I am deeply concerned, and equally concerned, about the welfare of all the farming regions.

Eleven months ago, in a meeting like this, at Indianapolis, I described the kind of Ever-Normal Granary program that I felt might best serve the Corn Belt and the Nation.

In the months that have passed since then, much has happened. The plan I outlined in the Indianapolis speech last November summed up the thought and the experience of many people. It was based upon the recommendations of farmers and farm leaders. It reflected the judgment of leading men in Congress. It used the lessons which we had learned about how to prevent scarcity—scarcity due to drought, or scarcity due to low farm prices and millions of city people being out of work. The plan grew also out of our common need for larger reserves of feed and food. It recognized that the farmers are entitled to equality, and that to insure national prosperity, agriculture must have its fair share of the Nation's income. That principle of farm equality is one that farmers will never surrender.

Now, thanks to Congress and the President, the Ever-Normal Granary plan has become a law. And thanks to you, the program is in actual operation. It is the best farm program, I firmly believe, that the farmers and the Nation have ever had.

**The Agricultural Adjustment Act of 1938 does not represent ultimate perfection. But it does represent a complete charter of farm equality.** It is capable of being improved with experience in the future, because the basic structure has been built strong and well.

We have the law. And now you and a million other farmers of the Corn Belt have thrown the machinery of the program into gear. Committeemen had to wait on the law before they could let farmers know about their acreage allotments. That held things up in the country. But the program has done the business just the same. Its accomplishments this year have been tremendous. I wonder whether so much good has ever before been done in so short a time by a single act of Congress.

The Farm Act's achievements are so conspicuous and so clear that some people might suppose even its enemies would now admit they have been wrong. But instead of that they have a new complaint. They say the Farm Act is too long. They say it is too complicated, and has too many pages. Well, here is a suggestion for those critics. Such complaints should not be addressed to Congress and not to the press. Such complaints should be laid on the doorstep of the very interests that have waged unceasing war on the recovery programs in the courts.

Let me ask you this: What circumstance has caused the reams and reams of regulations to be spelled out in the law? I will tell you the answer. It is the clamor, set up by these same interests, against giving the Government authority to help the low-income groups of the people, including the farmers. It is the fear in Congress that unless the law is spun out to the last detail, another crisis for agriculture might result, and the program might be paralyzed again, by new attacks upon the act's constitutionality. The general welfare clause, the very heart and soul of our great Constitution, is being converted into a labyrinth of regulations. The opponents of vitally needed legislation first try to force Congress to write every last detail into any bill they do not like. Then they hold up the result to scorn and say, look what a complicated law it is. Such are the tactics of those who are trying to scuttle the farm program. Now the test of a law is not how long it is, but how well it operates. What the people who make these attacks on your farm act don't like about it is that it really works.

In a moment I want to describe the outlines of the new Farm Act as it applies to corn. I want to show how simple and clear the central plan of the act really is.

**The new Farm Act, which in structure is not complex but simple, has helped all agriculture and the whole Nation this year. It has come to the country's rescue just when we needed help the most.** If anyone doubts that, let him look at the facts. This has been a perilous year both abroad and at home. Real leadership, real programs of economic action, real cooperation of the people have all been needed to bring the country safely through.

Abroad, war and the dread of war have brought new threats to trade. We have never known when the internal economy of our country might get some new jolt from war overseas. When war seemed closest, we could see rising up again the old familiar specter of boom, collapse, and another long farm depression.

There have also been perils originating here at home. One reason for trouble was that the farmers' controls in the first Adjustment Act had been swept away by the courts in 1936. In 1937, farm surpluses began piling up. Farm prices started downward. As the farmers got hit, business in the towns and cities began losing customers. The interplay of unemployment in the cities and falling income on the farm, which had caused so much suffering in 1932, set in again. By last spring, a real depression was developing. But unlike 1932, this time the people were not defenseless. This time there was in Washington an Administration ready to use the power of government to protect them. The President and the Congress went into action with the employment and recovery program. Meanwhile on the farm front also important things began to happen. The provisions of the new Farm Act began swinging into operation. Acreage allotments started out. Cotton and tobacco farmers in their referendums voted heavily for quotas. Congress provided \$212,000,000 for parity payments. In every major farming region the Farm Act helped to displace gloom with confidence.

**Farm prices are down from the high points they reached following the drought; but farm cash income equals price times the volume marketed, plus payments for all cooperators. With the help of the farmers' program, farm cash income this year will be only about 12 percent below the peak of last year, and farm buying power will be only 9 percent under that of last year.** In the face of a business situation in which factory employment and pay rolls have been down over 30 percent, to hold farm income so nearly steady is a real achievement.

So once again the farmers and the Nation are moving ahead toward recovery. Once again the farmers and the farm program are playing

their part in bringing about busy stores and humming mills and factories. All the businessmen and all the workingmen have reason to be grateful to those of you whose cooperation is making the farm program possible. Farmers have helped to keep the Nation's economy going. Business and labor ought to have their hats off to farmers.

I wonder how much the average city person really knows about how farmers carried through the corn program this year. When the 1938 season began, their corn granary was already full and running over. The severe shortage resulting from the drought of 1936 had been entirely overcome by the bountiful harvest of 1937. They had feed enough, and some to spare, for all their livestock. They had plenty of corn stored in their cribs; what they needed was to store up some in the fertility of their soil. They knew that instead of having to worry about filling up the granary, their immediate concern was how to control the overflow, how to keep surpluses from piling up as they did back in 1932.

How well did they do that job? Let us look at the record. The goal of the corn program last spring was a national corn acreage of from 94 to 97 million acres, compared to the 10-year average planted acreage of 102 million acres. Actually, the corn acreage turned out to be a little less than 93 million. That is coming pretty close to the mark. It is an inspiring thing when a million and a half farmers, scattered over the 10 States of the Corn Belt, supported by the efforts of other millions of farmers in all parts of the country, cooperate and coordinate their efforts so effectively as that. It is a demonstration of economic democracy which has no parallel outside the farm program.

Achievement of such results is a tribute to the intelligence and the loyalty of the corn growers. It is a tribute to the faithfulness of the committeemen you elected to lead the way in carrying out the program. It is a tribute to the faith that Congress has shown in your ability to manage your own affairs. "It couldn't be done"—but you did it.

With good growing weather in most places, corn growers are harvesting a crop of about 2 billion 460 million bushels. The farm price is averaging around 48 cents, or about the same as last year's prices, but far below the drought-caused peak of \$1.21 in May 1937.

**Acreage adjustment is step No. 1 in the A. A. A. corn plan.** **Step No. 2 is the corn loan.** Farmers have had a corn loan of some kind every year since 1933, and as security for it have sealed their corn in cribs on their farms. The Agricultural Adjustment Act of 1938 gears the loan mechanism more closely into the corn plan. A year ago this fall the rate of the corn loan was 50 cents a bushel. This last summer, in view of the corn supply situation and

in accordance with the provisions of the act, farmers were permitted to borrow up to 57 cents a bushel on the 1937 corn they still had in storage.

Now the time is approaching when another loan will be made, and they are wondering what the rate will be. The rate is no longer optional with the Department of Agriculture, but will be set according to the formula contained in the act. That formula is a sliding scale—in other words, the smaller the corn supply the higher the loan can be. Apparently, in view of the supply situation that will exist, the loan rate on 1938 corn will be at least 57 cents.

**Unlike the cotton and wheat loans, the corn loan is definitely intended to impound surplus corn.** It is intended to keep the surplus from being marketed or fed to livestock as rapidly as would otherwise be the case. That is why the loan at times can and should be made above the market price.

But we must not ignore the dangers that would result from too high loans—that is, from loans that had not even a remote relation to the supply and price of corn. Just as we keep our horses busy at useful work, but do not work them to death, it is important that we use judgment and moderation in our handling of the corn loan. I think farmers will all agree that since 1933 the corn loan has been one of the most valuable parts of the A. A. A. farm program. And so today I urge them to cherish the corn loan, treat it as it should be treated, and it will continue to serve them well.

The steps in the corn plan that I have been describing are absolutely voluntary. The farmer stays within his acreage allotment if he wants to conserve his soil and earn his payment. He decides whatever way he pleases. He applies for a loan if he wants to. Nobody can tell him what to do.

But remember the Liberty League campaign of last spring here in Illinois. Remember how the farm program haters centered their fire on the marketing and storage quota feature. This they denounced without mercy. No attention was paid to the fact that a specified marketing quota level must be exceeded and the Ever-Normal Granary be running over before marketing quotas could be used. No attention was paid to the fact that at least two-thirds of the farmers voting in a referendum must vote yes before quotas could be kept in force. The entire assault was made on the quotas. They were condemned as "compulsory." The Government was accused of having determined in advance upon the use of quotas. This, it was said, was the way the farmers were to be "regimented."

But when on August 10, it turned out that the supply of corn would be about 25 million bushels less than the marketing quota level, what did the farm program haters have to say? Did they send

up a cheer that a referendum on quotas was not needed? Did they admit they had been wrong all along the line? No. The farm program critics now turned right about face and attacked the Government on grounds that it had juggled official figures in order to avoid a referendum on the quotas. The story now was that we juggled figures in order to keep from regimenting the farmers. The farm program haters played both sides of the street.

Bad weather during August cut the corn crop so that the supply turns out to be nearly 100 million bushels below the quota level. The charge of those enemies of the farm program turned out to be exactly 100 percent bunk.

**If growers cooperate in the 1939 acreage program, and if corn yields are no better than average, quotas will not be needed next year.** But some year perhaps, in spite of growers' cooperative efforts, nature may give them a crop that threatens to swamp their markets and themselves. When and if that time comes, what will you do? Will you decide that required storage of your surplus is against your principles and vote it down? Or will you decide that, just as everyone abides by red and green signals on the streets, farmers ought to adopt some stop-and-go signs for use on the farms? It would be a good thing if corn growers would take the trouble to discuss this question long in advance of the time when the quotas may actually be needed. And remember that in the face of an extreme surplus situation you could not expect any corn loan to be offered if as a group you were unwilling to control the supply and price with quotas. For another thing, you would need to use quotas at least a year ahead of the time when livestock prices threatened to dive into the basement. In emergency the corn producers could, if they wanted to, fall back on the use of quotas. True, they would not like to use quotas. But to turn them down in a crisis just for that reason might be something like jumping off a rolling ship in a hurricane because you are seasick. The time may come when the Corn Belt will thank goodness that it has the corn quotas to fall back upon.

**One person may favor the farm program for one reason, and someone else for another. But the Ever-Normal Granary part of the plan is useful to all.** It is the farmer's conclusive answer to charges of scarcity. Nobody but the speculator gains when supplies and prices swing from one extreme to another. The building up of larger reserves from bumper crops of one year to offset drought losses another year is a commonsense thing to do. In time, our reserves of feed supplies should be twice as large as they are now.

This bigger reserve is feed insurance for the farmer. It is price insurance for the consumer. No one gains more from it than the

cattlemen, the poultrymen, the hog growers, the dairymen. Thus the great consumers of corn for feed are farmers themselves. Poultrymen, dairymen, and hog men are hit hard by big swings in feed prices. A collapse in the price of feed is a sign that their turn for a price collapse of dairy prices and hog prices is just ahead.

This is no mere theory. For the year ended September 30—just 2 weeks ago—the federally inspected slaughter of hogs was a little above 8 billion pounds. The average price received by farmers was around \$8 a hundred. The farm price as of September 15 was \$8.07, compared with \$7.81 a month earlier. Parity price for hogs on September 15 was \$9.17.

Farmers can avoid the \$13 hogs which arouse consumer resentment against meat and which hurt the farmers in the long run. And farmers can avoid the \$3 hogs which don't help the city people but do spell tragedy for farmers and their families.

All livestock and dairy and poultry producers want the maximum income they can get in the long run. The way to get it is to stabilize supplies and prices of corn at moderate levels. The way to get it is to keep supplies and prices of livestock riding steady. When they ride steady, then your family fortunes ride steady, too.

With the corn plan in effect, the man who is in livestock can face the future with confidence. His assured purchasing power gives merchants and bankers in the country towns more confidence. The circle of confidence and of increased buying spreads to the larger cities and includes the larger businessmen there. More employment is created, and the consumers of the cities have more money to spend for everything. They have more money to spend for meat—and so you get a double reward for your cooperative efforts.

**The Corn Belt program is a great social effort. It is a plan to modify competition, and substitute cooperation in the interests of farmers and the Nation. It is a proposal to put some limits upon rugged individualism for the general good.**

So far I have cited three great reasons for such a social effort: First, the need for more stability of supplies and prices; second, the need for greater reserve supplies for protection against drought; and third, the necessity to safeguard farmers and the entire economy from the effects of a collapse in farm buying power.

Now, I will cite a fourth essential reason. That is the necessity to develop systematic means of conserving soil.

In the past, the farmers have been driven by low incomes into terrible waste of soil. Lacking any farm program, they have often had to depend for their income on sheer volume, regardless of price. Terrific destruction of soil fertility has resulted from such competition. Tens of millions of acres have been denuded of their top soil by

water erosion. Other millions of acres have had their fertility swept up into the skies by dust storms. And now, after all the years of soil waste, the farm program is a practicable, systematic means of conserving soil. The payment as a mainspring provides a means whereby the immediate welfare of the individual and the permanent welfare of the group can work together. With the payment a farmer can afford to practice conservation on his farm. He has an incentive to serve his long-time as well as his immediate needs, and hence to do his part toward conserving the soil resources of the Nation.

**Conservation of the soil is a natural counterpart of the Ever-Normal Granary. Both are measures to assure greater long-time abundance. Both are invaluable to the Nation.**

You all know from your own experience how important it is not to use up your own soil capital. You know that with the aid of the farm program your soil is being saved. And, when you drive through the country and see the fields of clover and alfalfa sprinkled in with the fields of corn, you know that the farm program is saving the soil for this entire Corn Belt region.

To illustrate what I mean, let me quote a few sentences printed by a leading national magazine a few months ago on its editorial page.

Referring to a conservation program, the editorial said: "It differs fundamentally from other production controls because its primary purpose is conservation of an irreplaceable resource rather than the valorization of an annual crop or an inexhaustible metal. True, it tends to stabilize supply and demand, and \* \* \* this accounts for its wide acceptance. But its greater usefulness in our economy lies in the fact that it increases the ultimate amount \* \* \* that can be commercially extracted from our fields. Its stabilization effects are secondary \* \* \*. The Nation has benefited, the industry has prospered, and the price has not been raised to the consumer. A highly competitive industry has taken the lead in bringing this about. Government has aided, but the industry itself has carried the ball."

That ends the quotation.

The sentences I have read to you must have referred to conservation of the soil, do you say? You just missed it by a single letter. They referred to conservation of oil, not soil. In reading, I left out the few words that would have given the subject away.

Those comments, appearing in a magazine that has been generally unfriendly to your program, show how hollow is the charge that conservation of a great national resource is not a matter of deep national concern. Soil and oil are both a part of our precious heritage, and we cannot afford as a Nation to waste either one.

If our program has in it measures for the Ever-Normal Granary, soil conservation, and protection of farm income, then is it too perfect to be improved? No, in a changing world the future will bring questions to answer and improvements to make.

Here is one thing. I believe it is sound public policy for soil conservation funds to be derived from the general Treasury. Certainly there is no more vital reason for national expenditures than preservation of our basic natural resources. But what if extra funds are needed to get adequate participation in the corn program? Can a continuing source of revenue be found? I do not have the answer to this question. I recognize that cotton and wheat, which have less to gain from the loan parts of the act than corn, have a better basis for a processing tax to finance parity payments. These questions are worth while to think about.

No one in the country realizes more acutely than you do the importance of the Nation's great problem of income and outgo. You like to keep your own affairs well-thought-out and business-like. We must all do everything we can to keep the Nation's affairs in the same healthy state.

Here is another problem. What is the matter with export trade in pork and lard? Now that we are out from under the effects of the 1934 and 1936 droughts, we are again selling these commodities abroad. Should we, as in the case of wheat, apply the concept of insisting on our fair share in the world trade in these commodities? What ought our fair share to be? Can we hope to get it and keep it unless trade barriers are lowered? Is the reciprocal trade-agreement program the best way to bring about the lowering of these barriers and the assurance of our fair share of the pork and lard trade? These, too, are questions we must consider.

Still another set of questions has to do with the finding of new industrial uses for corn. I am convinced that in the next few years, we shall not be able to depend on corn alcohol as motor fuel or the development of other new uses to make it unnecessary for us to balance our corn supplies. But through the new regional research laboratories to be established in accordance with the Farm Act, we ought to push ahead in this direction as rapidly as we can.

Above all, we ought to be continually trying to make the details of the program clear to all farmers so that participation may be as large as possible. As more time is available for getting out the program early, it should be possible for everyone connected with the program to do a much better job in this respect than was possible in the rush of last spring.

So we can see here and there a way of improvement. But in the main the national farm program that has been launched under the Agricultural Adjustment Act of 1938 is a monumental piece of work.

There it stands, a bulwark of strength safeguarding farm welfare and national welfare.

Of course, the farm program is under fire. It will be under fire until the day that its opponents finally learn that farmers will never want to be without a national program again. Good metal comes through the fire stronger and better than before. The farm program will come through stronger and better than before.

One type of attack consists of charges that while farmers of the Corn Belt are cutting down on corn, farmers of the South are making great increases in their corn acreage. The facts are that corn acreage in the South this year was less than it was in 1933, before the A. A. A. programs were launched, and that the cotton program, by reducing the amount of cottonseed oil available for feed or for use in cooking, really lessened the competition faced by corn and lard. These charges won't stand the light of day.

**The great merit of this farm program stands out most clearly when substitutes are proposed.** The proposed substitutes are usually panaceas. They pretend to have a cure for the entire farm problem. They would solve it with some single stroke. But the national farm program gives a broad and comprehensive system of meeting the changing situations that confront farmers. The agricultural problem is not simple, and so the farm program is an integrated arrangement of different measures which can be placed in effect to meet different situations as they arise. The corn plan is one part of the integrated whole. Farmers can put it down as a fact that the best features of proposed substitute farm plans are already to be found in the farm program as it stands.

What about the substitutes? Well, the first one is price-fixing. This is a popular panacea. We are told that if we will just fix farm prices at cost of production, or parity, or some higher figure, all the bother about allotments, worksheets, compliance, and payments can be done away with.

Now I am not opposed to price-fixing in itself, provided it is done in a workable way that will result in good rather than harm to agriculture.

But when you ask for price-fixing, stop and think *what part* of the crop you could expect to sell at the high price. What part would you have to sell dirt cheap, or give away?

**The proposition that a fixed price should be paid on an unlimited quantity of goods is false.** No business organization anywhere has ever been able to fix a price while exercising no control whatever over production. Steel hasn't done it. Farm implements haven't done it. Automobiles haven't done it. Back of rigid prices on a falling market has been rigid control of supply, with release of workers when necessary to sustain it. Here is a clipping that tells

about that—a September dispatch from Detroit printed in an eastern paper. I will read it to you:

“The motorcar industry, whose executives are hearing much of improving business conditions and the probability of sustained demand for new vehicles, will swing into high level factory operations before the end of the current month.

“At the same time there is no tendency anywhere in the industry to sidetrack the policy of ‘controlled production.’ It was this policy that aided the industry most, in the opinion of many competent observers, in coming through the depression that began in 1929 with a minimum of producer mortality.

“When production gets under way in full blast on the 1939 models its initial objection will be the stocking of dealers throughout the United States. What happens after that will depend entirely upon how fast the dealers are able to pass their new units along to the public.

“Under the ‘controlled production’ policy”—I am still reading from that clipping—“the manufacturers produced only that volume of cars for which there was a definite market. When there was any indication of a tapering off in consumer demand, even temporarily, a coincident curtailment of factory activity was ordered. Thus it was that once the policy had been thoroughly implemented the motorcar manufacturers were able to wind up a model year with little or no ‘left-overs.’

“At the worst of the business decline some factories were closed down for brief periods during the production season to ‘await the accumulation of orders.’ This was carrying out the ‘controlled production’ program to its utmost”—the clipping goes on—“but in the case of the companies concerned it accomplished the sought for objective—no overproduction.

“The motorcar industry cannot operate its plants on a ‘built to order’ basis, but the one thing at the moment more certain than anything else is that the car makers will not be rushed into a production program they cannot control. If high level factory activity continues after December 31 it will be because the industry’s field men have surveyed the consumer requirements and found a very definite demand in sight.”

That is the end of the clipping.

**If the automobile industry, with management centralized in a few hands, finds that it must control production in order to fix prices, how could 6 million farmers expect to get a fixed price on everything that they produce?** One way out would be to have fixed prices backed up by drastic surplus control. But in any case the fixed price could be paid only on the part of the crop consumed

in this country, and the rest of the crop would have to be dumped abroad, if there were markets, or would have to be destroyed. Unless there were some check on production, or unless ways could be found to dispose of surpluses, they would pile up at home in a way to jeopardize the whole price-fixing plan. How much would farmers get out of a plan that would fix prices only on a part of their crop? What good would it do to get a big price for half the crop for a year or two, and then have the whole plan break down? The national farm program does not include anything as likely to damage the farmers as an attempt to fix prices on all that they produced. This would be bound to end up in a mess in short order. Look out for price-fixing combined with unlimited production unless you want to get hurt.

Another proposed substitute is raising tariffs to keep out imports. This is the familiar panacea of rock-ribbed protectionism. The last time it was tried was with enactment of the Smoot-Hawley Tariff Act in 1930. That act started an international trade war. It caused the importing nations of Europe to retaliate against our farm products with tariffs, quotas, and embargoes. It knocked out our farm export trade until in 1932 that trade fell to the lowest point in 42 years. The unmarketable surpluses backing up here at home ruined prices. The Smoot-Hawley Tariff Act was a major factor in the farm depression.

**The high tariff advocates always harp on a single argument, the volume of farm imports.** They hammer away with their complaint about imports whether there are any imports or not. Right now a group of them is clamoring against "huge" imports of corn and wheat, said to be ruining the American farmer. There are practically no imports of either corn or wheat. Both crops were imported heavily after the drought 2 years ago. But now they have practically ceased and we are sending out large exports instead. Altogether, the value of competitive farm imports in 1937 was considerably less than in any of the 7 years just prior to 1930.

The fairy tales that are spread about exports and imports are amazing. Not long ago a Detroit morning newspaper declared in its editorial column:

"The farm picture in Europe is such that if our farmers had the agricultural products to send abroad they would be on a high plane of prosperity, but unfortunately, thanks to Secretary Wallace's insistence on a program of crop curtailment we do not have these products to sell. Such is the result of the efforts of the bumptious Secretary of Agriculture to play the role of God over the American farmer, his flocks, and his herds."

That ends the quotation.

What do you think of that, in view of the fact that in 1937 the production of the 53 leading crops was 6 percent higher than ever before? What do you think of it in the light of the fact that for more than a year farmers have been struggling to find outlets at home and abroad for the surplus abundance they have produced? Here we are, we American farmers, with more cotton and wheat to sell abroad than ever before, wanting and almost begging for buyers. And as we hawk our surpluses at knockdown prices we are told that it's all a dream, that we have markets, but nothing to sell.

Another tale, apparently believed by a Member of Congress who repeated it, was to the effect that in spite of our own big corn crops, Argentine corn was still being unloaded from Mississippi River barges at Missouri points. We traced that story down and found that the corn actually had been produced in Illinois and had been shipped by barge to Missouri.

Hoaxes like that would not be worth even mentioning except that they are given circulation by prominent people. Farmers, in planning out their affairs, will insist on doing it on the basis of the facts and not on the basis of untruths that have no basis in fact at all.

The Smoot-Hawley Tariff Act was a crime against the American farmer. It was accompanied by a barrage about farm imports. Judging by the new barrage, another crime like the last is soon to be attempted. I think the farmers ought to be on guard to stop it this time.

I urge all of you who are interested in the welfare of agriculture and the success of the farm program to post yourselves on questions like these, so that no one can lead you astray.

**Most farmers don't want a substitute farm program. I doubt if anybody else really wants one. Most substitutes are offered with the idea that they should live just long enough to sink the present farm program.**

Farmers have now come a long way together down the road toward establishing a strong and enduring farm policy for the Nation. They have done well in carrying on the program this year. They have done well to hold corn production on an even keel and to hold farm income up in the face of a decline in city employment. They have done well to make the program play so big a part in ending incipient depression, and in putting the country back on the road to prosperity.

In closing, I want to make a special request of you all. Let's get a larger participation in the program in the coming year. Congress intends the farm program to be for the farmers as a whole. The program will be more effective for all if a larger proportion of producers participate.

The interest you have taken in the farm program is a tribute to that program. It does honor to yourselves as exponents of economic democracy. My appeal today is to the rank and file of farmers throughout the Corn Belt, that they join with the wheat producers of the West, the cotton growers and tobacco farmers of the South, and the other farm groups to fight for the best farm program that agriculture ever had. Fight for that program, and you will guard the security of your incomes, the security of your farms, and the security of your homes. Fight for that program, and help make prosperity secure for your relatives and friends who are businessmen and workers in town. Fight for that program, and you will help to guard the security of our Nation.

